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KING COUNTY, WASHINGTON  
GOVERNMENT-WIDE EXPENSES BY FUNCTION <sup>(a)</sup>  
LAST FISCAL YEAR

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT SERVICES</u>	<u>LAW, SAFETY &amp; JUSTICE</u>	<u>PHYSICAL ENVIRONMENT</u>	<u>TRANSPORTATION</u>	<u>ECONOMIC ENVIRONMENT</u>	<u>MENTAL &amp; PHYSICAL HEALTH</u>	<u>CULTURE &amp; RECREATION</u>	<u>INTEREST ON LONG-TERM DEBT</u>	<u>AIRPORT</u>	<u>PUBLIC TRANSPORTATION</u>	<u>SOLID WASTE</u>	<u>WATER QUALITY</u>	<u>OTHER</u>	<u>TOTAL</u>
2002	\$ 97,834,276	\$ 432,134,519	\$ 50,641,393	\$ 61,653,417	\$ 71,614,322	\$ 312,395,177	\$ 32,812,179	\$ 53,116,492	\$ 11,544,427	\$ 436,343,987	\$ 77,415,022	\$ 234,258,070	\$ 5,340,317	\$ 1,877,103,598

(a) Data for the previous nine years is not available.

KING COUNTY, WASHINGTON  
GOVERNMENT-WIDE REVENUES <sup>(a)</sup>  
LAST FISCAL YEAR

FISCAL YEAR	PROGRAMS REVENUES			GENERAL REVENUES			TOTAL
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TAXES	UNRESTRICTED INVESTMENT EARNINGS	MISCELLANEOUS	
2002	\$ 650,824,109	\$ 419,058,041	135,180,114	\$ 858,820,687	\$ 56,389,516	\$ (16,603,007)	\$ 2,103,669,460

(a) Data for the previous nine years is not available.

KING COUNTY, WASHINGTON  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION <sup>(a)</sup>  
LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT SERVICES	LAW, SAFETY & JUSTICE	PHYSICAL ENVIRONMENT	TRANSPORTATION	ECONOMIC ENVIRONMENT	MENTAL & PHYSICAL HEALTH	CULTURE & RECREATION	DEBT SERVICE	CAPITAL OUTLAY	TOTAL
1993	\$ 58,251,710	\$ 221,798,878	\$ 19,605,902	\$ 42,975,359	\$ 43,860,562	\$ 156,525,823	\$ 21,563,788	\$ 71,850,212	\$ 12,096,031	\$ 648,528,265
1994	67,782,067	234,398,276	21,051,153	42,652,821	50,705,576	168,735,481	22,543,314	78,260,831	14,908,850	701,038,369
1995	64,109,540	251,845,577	21,043,018	41,835,508	52,402,475	197,932,284	25,592,286	74,392,057	15,189,065	744,341,810
1996	69,776,924	276,521,781	23,731,459	44,849,809	53,567,723	217,003,714	24,627,764	144,844,023 <sup>(b)</sup>	10,553,359	865,476,556
1997	73,994,759	306,967,659	37,539,821	46,444,989	58,524,039	227,042,536	24,264,899	98,568,637	13,763,760	887,111,099
1998	92,252,966	327,982,260	37,742,763	46,858,392	60,418,071	245,712,268	27,003,590	101,157,117	13,939,986	953,067,413
1999	68,330,041	354,772,896	40,384,231	47,162,139	66,057,564	266,741,870	29,381,635	109,359,869	19,575,428	1,001,765,673
2000	77,639,069	367,912,868	39,685,756	49,868,286	64,073,077	275,676,778	32,343,019	101,995,065	21,779,086	1,030,973,004
2001	94,093,729	398,975,825	39,999,272	52,154,009	71,349,411	299,069,153	34,175,596	106,720,938	14,876,423	1,111,414,356
2002	74,690,714	419,765,977	38,474,388	54,230,994	70,683,790	306,732,099	30,341,259	105,212,048	10,118,788	1,110,250,057

(a) General governmental expenditures include expenditures of the General, Special Revenue, and Debt Service Funds only.  
Payments to refunded bond escrow agents and operating transfers out are excluded.

(b) Includes \$65,453,220 of expenditures for refinancing a bond anticipation note.

KING COUNTY, WASHINGTON  
GENERAL REVENUES BY SOURCE <sup>(a)</sup>

LAST TEN FISCAL YEARS

FISCAL YEAR	TAXES <sup>(b)</sup>	LICENSES & PERMITS	INTER- GOVERNMENTAL REVENUES	CHARGES FOR SERVICES	FINES & FORFEITS	INTEREST EARNINGS <sup>(c)</sup>	MISCELLANEOUS REVENUES	TOTAL
1993	\$ 353,836,101	\$ 13,041,565	\$ 210,185,202	\$ 101,431,795	\$ 8,555,680	\$ 12,062,345	\$ 8,033,358	\$ 707,146,046
1994	373,053,514	15,947,228	217,525,529	106,681,521	7,872,114	13,392,661	7,619,991	742,092,558
1995	386,576,446	14,475,022	260,474,232	105,071,756	7,594,650	17,780,586	5,928,550	797,901,242
1996	403,926,887	14,467,859	289,966,633	118,294,545	7,281,335	19,391,688	8,933,451	862,262,398
1997	441,990,472	14,565,618	298,099,736	141,641,820	6,893,605	22,258,978	8,827,386	934,277,615
1998	440,291,859	15,851,073	314,423,625	144,971,471	6,890,788	19,544,441	8,648,636	950,621,893
1999	482,411,013	18,979,505	333,054,246	169,041,331	6,942,370	16,007,172	11,783,949	1,038,219,586
2000	507,551,880	13,506,373	338,155,972	180,804,518	8,042,684	27,415,536	12,636,262	1,088,113,225
2001	521,453,580	19,271,788	372,728,022	201,543,171	7,086,066	26,230,497	12,664,482	1,160,977,606
2002	540,130,685	17,321,654	384,021,861	188,512,049	8,015,179	18,597,540	12,492,130	1,169,091,098

(a) General revenues include revenues of the General, Special Revenue, and Debt Service Funds only. Operating transfers in are excluded.

(b) Taxes for the years 1997 through 1999 have been restated for tax revenue related to the Washington State Major League Baseball Stadium Public Facilities District debt service which had been accounted for in a CIP Fund. In 2000 the accounting was reclassified to a Debt Service Fund.

(c) Interest Earnings revenues reported for the years 1997 through 2002 include the impact of the implementation of Statement No. 31 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Interest Earnings for the years 1993 through 1996 have not been restated.

KING COUNTY, WASHINGTON  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

FISCAL YEAR	TOTAL ADJUSTED TAX LEVY <sup>(a)</sup>	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY	OUTSTANDING DELINQUENT TAXES	RATIO OF DELINQUENT TAXES TO TOTAL TAX LEVY
1993	\$ 307,474,673	\$ 299,632,765	97.45%	\$ 6,497,849	\$ 306,130,614	99.56%	\$ 11,980,974	3.90%
1994	320,660,212	314,322,720	98.02%	7,088,266	321,410,986	100.23%	11,230,200	3.50%
1995	333,964,155	327,506,714	98.07%	6,219,393	333,726,107	99.93%	11,468,248	3.43%
1996	330,108,447	324,049,065	98.16%	6,345,223	330,394,288	100.09%	11,182,406	3.39%
1997	332,211,185	325,615,246	98.01%	7,073,080	332,688,326	100.14%	10,705,264	3.22%
1998	292,472,938	286,947,266	98.11%	6,469,534	293,416,800	100.32%	9,761,402	3.34%
1999	337,134,855	330,508,850	98.03%	5,802,566	336,311,416	99.76%	10,584,841	3.14%
2000	354,004,135	346,457,047	97.87%	7,092,545	353,549,592	99.87%	11,039,384	3.12%
2001	370,199,301	362,241,840	97.85%	6,943,009	369,184,849	99.73%	12,053,836	3.26%
2002	391,787,723	383,250,212	97.82%	7,811,551	391,061,763	99.81%	12,779,796	3.26%

(a) Includes changes in original levy due to omits, cancellations and supplements during the fiscal year.

KING COUNTY, WASHINGTON  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE <sup>(a)</sup>
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1993	\$ 108,133,319,640	\$ 117,536,217,000	\$ 10,089,405,958	\$ 10,089,405,958	\$ 118,222,725,598	\$ 127,625,622,958	92.6%
1994	111,336,372,117	120,103,961,291	10,413,643,497	10,413,643,497	121,750,015,614	130,517,604,788	93.3%
1995	112,495,784,709	127,691,015,560	10,387,292,347	10,387,292,347	122,883,077,056	138,078,307,907	89.0%
1996	115,863,411,324	127,043,214,171	11,069,906,343	11,069,906,343	126,933,317,667	138,113,120,514	91.9%
1997	124,077,055,737	137,253,380,240	11,313,136,495	11,313,136,495	135,390,192,232	148,566,516,735	91.1%
1998	138,503,210,847	154,063,638,317	11,919,240,416	11,919,240,416	150,422,451,263	165,982,878,733	90.6%
1999	153,567,931,344	173,916,117,037	12,753,276,194	12,753,276,194	166,321,207,538	186,669,393,231	89.1%
2000	174,746,122,629	195,465,461,554	13,673,981,168	13,673,981,168	188,420,103,797	209,139,442,722	90.1%
2001	195,963,645,652	216,295,414,627	15,032,955,251	15,032,955,251	210,996,600,903	231,328,369,878	91.2%
2002	209,975,414,561	232,017,032,664	15,019,183,649	15,019,183,649	224,994,598,210	247,036,216,313	91.1%

(a) Ratios for real property and personal property were provided by State of Washington Department of Revenue.

DIRECT AND OVERLAPPING GOVERNMENTS' (a) (b)  
PROPERTY TAX RATES (c)  
LAST TEN FISCAL YEARS

FISCAL YEAR	CITY (d)	SCHOOL DISTRICT (e)	COUNTY	STATE	OTHER (f)	TOTAL (g)
1993	\$ 2.71	\$ 3.02	\$ 2.12	\$ 3.28	\$ 0.93	\$12.06
1994	2.71	3.18	2.22	3.40	0.99	12.50
1995	2.78	3.38	2.25	3.42	1.05	12.88
1996	2.94	3.90	2.21	3.50	1.07	13.62
1997	2.94	3.93	2.13	3.52	1.11	13.63
1998	2.90	3.74	1.85	3.51	0.88	12.88
1999	2.77	3.89	1.77	3.36	1.15	12.94
2000	2.77	3.69	1.69	3.30	1.12	12.57
2001	2.69	3.38	1.55	3.15	1.02	11.79
2002	2.49	3.13	1.45	2.99	1.03	11.09

(a) Limitations on levies: Article 7, § 2 (as amended) of the Washington State Constitution and Revised Code of Washington (RCW), 84.52.050, limit the total "regular" property tax levy to a maximum of \$10 per \$1,000 of true and fair value of real and personal property valuation. This "1 percent of value" limitation does not include tax levies of port and public utility districts. This limit is subject to further reduction since RCW 84.52.043(2) limits the overlapping levy rate excluding the State (school), port districts, and public utility districts to \$5.90 per \$1,000 of assessed value. RCW 84.55.010, as amended by Ch. 1, Laws of 2002 (approved as Initiative 747 by State voters in November 2001) also limits the total dollar amount of regular property taxes levied by an individual taxing district to the amount of such taxes levied in the highest of the three most recent years multiplied by a limit factor, plus an amount applicable to new construction. The limit factor is defined as the lesser of 101 percent or 100 percent plus inflation, but if the inflation rate is less than one percent, the limit factor can be increased to 101 percent, if approved by a majority plus one vote of the governing body of the municipality, upon a finding of substantial need. In addition, the limit factor may be increased, regardless of inflation, if such increase is authorized by the governing body of the municipality upon a finding of substantial need and is also approved by the voters at a general or special election within the municipality. These limitations are not applicable to "excess" or "special" levies approved by the electorate of districts.

(b) Real and personal property taxes are payable on or after February 15. Unpaid taxes become delinquent after April 30, unless tax is \$50 or more and one-half is paid before April 30. In this case, the second half is not delinquent until after October 31.

(c) Tax rates in dollars per thousand dollars of assessed value. Rates include excess and special levies not subject to the limitations discussed in footnote (a) above.

(d) This is an average rate based on total assessed value of cities and towns. Each city has its own rate.

(e) This is an average rate based on the total assessed value of all school districts. Each district has its own rate.

(f) These are average rates based on the total County rates less city, school district, County, and Washington State rates. Each district within this group has its own assessed property value and rate.

(g) This is an average rate based on total tax levies for King County and total assessed property value in King County.

**KING COUNTY, WASHINGTON**

**SPECIAL ASSESSMENT COLLECTIONS  
LAST TEN FISCAL YEARS**

FISCAL YEAR	ASSESSMENTS RECEIVABLE CLASSIFICATION	ASSESSMENTS			
		ASSESSMENTS RECEIVABLE JANUARY 1	RECEIVABLE ADDITIONS (DEDUCTIONS)	ASSESSMENTS COLLECTED	ASSESSMENTS RECEIVABLE DECEMBER 31
1992	Current	\$ 305,533	\$ 265,726	\$ 278,226	\$ 293,033
	Delinquent	22,829	15,303	8,664	29,468
	Deferred	3,688,014	899,283	1,232,906	3,354,391
1992	Total	<u>\$ 4,016,376</u>	<u>\$ 1,180,312</u>	<u>\$ 1,519,796</u>	<u>\$ 3,676,892</u>
1993	Current	\$ 293,033	\$ 256,528	\$ 261,187	\$ 288,374
	Delinquent	29,468	12,457	13,192	28,733
	Deferred	3,354,391	(36,165)	398,859	2,919,367
1993	Total	<u>\$ 3,676,892</u>	<u>\$ 232,820</u>	<u>\$ 673,238</u>	<u>\$ 3,236,474</u>
1994	Current	\$ 813,217 <sup>(a)</sup>	\$ 696,449	\$ 757,976	\$ 751,690
	Delinquent	59,542 <sup>(a)</sup>	58,320	52,638	65,224
	Deferred	11,598,475 <sup>(a)</sup>	(320,080)	1,306,687	9,971,708
1994	Total	<u>\$ 12,471,234 <sup>(a)</sup></u>	<u>\$ 434,689</u>	<u>\$ 2,117,301</u>	<u>\$ 10,788,622</u>
1995	Current	\$ 751,690	\$ 662,116	\$ 693,768	\$ 720,038
	Delinquent	65,224	45,004	30,809	79,419
	Deferred	9,971,708	(612,131)	311,985	9,047,592
1995	Total	<u>\$ 10,788,622</u>	<u>\$ 94,989</u>	<u>\$ 1,036,562</u>	<u>\$ 9,847,049</u>
1996	Current	\$ 720,038	\$ 566,718	\$ 624,193	\$ 662,563
	Delinquent	79,419	83,531	50,868	112,082
	Deferred	9,047,592	(531,559)	711,316	7,804,717
1996	Total	<u>\$ 9,847,049</u>	<u>\$ 118,690</u>	<u>\$ 1,386,377</u>	<u>\$ 8,579,362</u>
1997	Current	\$ 662,563	\$ 624,512	\$ 646,090	\$ 640,985
	Delinquent	112,082	(59,815)	42,583	9,684
	Deferred	7,804,717	(542,092)	217,001	7,045,624
1997	Total	<u>\$ 8,579,362</u>	<u>\$ 22,605</u>	<u>\$ 905,674</u>	<u>\$ 7,696,293</u>
1998	Current	\$ 640,985	\$ 515,483	\$ 574,163	\$ 582,305
	Delinquent	9,684	15,656	8,939	16,401
	Deferred	7,045,624	(62,094)	1,132,400	5,851,130
1998	Total	<u>\$ 7,696,293</u>	<u>\$ 469,045</u>	<u>\$ 1,715,502</u>	<u>\$ 6,449,836</u>
1999	Current	\$ 582,305	\$ 598,708	\$ 604,687	\$ 576,326
	Delinquent	16,401	16,230	23,418	9,213
	Deferred	5,851,130	(527,118)	85,436	5,238,576
1999	Total	<u>\$ 6,449,836</u>	<u>\$ 87,820</u>	<u>\$ 713,541</u>	<u>\$ 5,824,115</u>
2000	Current	\$ 576,326	\$ 543,014	\$ 569,361	\$ 549,979
	Delinquent	9,213	5,156	9,008	5,361
	Deferred	5,238,576	137,724	900,714	4,475,586
2000	Total	<u>\$ 5,824,115</u>	<u>\$ 685,894</u>	<u>\$ 1,479,083</u>	<u>\$ 5,030,926</u>
2001	Current	\$ 549,979	\$ 523,043	\$ 532,696	\$ 540,326
	Delinquent	5,361	18,218	4,618	18,961
	Deferred	4,475,586	(363,732)	184,493	3,927,361
2001	Total	<u>\$ 5,030,926</u>	<u>\$ 177,529</u>	<u>\$ 721,807</u>	<u>\$ 4,486,648</u>
2002	Current	\$ 540,326	\$ 512,103	\$ 510,130	\$ 542,299
	Delinquent	18,961	29,810	18,187	30,584
	Deferred	3,927,361	(385,944)	175,251	3,366,166
2002	Total	<u>\$ 4,486,648</u>	<u>\$ 155,969</u>	<u>\$ 703,568</u>	<u>\$ 3,939,049</u>

(a) Due to the merger of King County and Metro, the downtown Seattle tunnel assessments were added to this schedule beginning in 1994. The additions were \$524,843 (current), \$30,809 (delinquent), \$8,679,108 (deferred), and \$9,234,760 (total).

KING COUNTY, WASHINGTON  
SPECIAL TAXES AND REVENUES COLLECTIONS  
LIMITED TAX GENERAL OBLIGATION BONDS, 1997, SERIES A-D, 2002 REFUNDING (BASEBALL STADIUM)<sup>(a)</sup>  
LAST SEVEN FISCAL YEARS

FISCAL YEAR	FOOD AND BEVERAGE TAXES	CAR RENTAL TAXES	COUNTY SALES TAXES	STATE LOTTERY RECEIPTS	STATE LICENSE PLATE RECEIPTS	STADIUM ADMISSION TAXES	TOTAL
1996	\$ 8,843,708	\$ 3,640,099	\$ 3,936,908	\$ 3,000,000	\$ 99,000	N/A	\$ 19,519,715
1997	11,760,427	4,369,488	5,222,599	3,120,000	326,172	N/A	24,798,686
1998	12,671,068	4,656,192	5,661,823	3,244,800	220,453	N/A	26,454,336
1999	13,530,820	4,931,238	6,155,973	3,374,592	210,285	1,774,153	29,977,061
2000	14,642,553	5,228,152	6,782,327	3,509,576	204,096	4,001,499	34,368,203
2001	15,049,724	5,185,242	6,670,963	3,649,960	203,095	5,263,268	36,022,252
2002	15,172,504	4,831,450	6,364,653	3,795,957	187,135	4,552,461	34,904,160

(a) The County's outstanding Limited Tax General Obligation Bonds, 1997 Series C and D, and 2002 Refunding (Baseball Stadium) are additionally secured by certain Special Taxes and Revenues. This data is presented pursuant to the Securities and Exchange Commission Rule 15c2-12.

KING COUNTY, WASHINGTON  
RATIO OF NET GENERAL BONDED DEBT  
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION <sup>(a)</sup>	ASSESSED VALUE	GROSS BONDED DEBT <sup>(b) (d)</sup>	NET DEBT SERVICE FUNDS <sup>(c)</sup>	NET BONDED DEBT <sup>(d)</sup>	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1993	1,587,700	\$ 118,222,725,598	\$ 618,644,519	\$ 6,295,043	\$ 612,349,476	.0052	\$ 386
1994	1,599,500	121,750,015,614	611,425,293	10,803,639	600,621,654	.0049	376
1995	1,613,600	122,883,077,056	601,931,465	12,944,574	588,986,891	.0048	365
1996	1,628,800	126,933,317,667	557,995,931 <sup>(e)</sup>	15,388,841	542,607,090	.0043	375
1997	1,645,200	135,390,192,232	585,540,588	17,385,383	568,155,205	.0042	345
1998	1,665,800	150,422,451,263	546,183,694	16,641,071	529,542,623	.0035	318
1999	1,677,000	166,321,207,538	556,165,858	17,388,675	538,777,183	.0032	321
2000	1,737,034	188,420,103,797	499,177,559	14,100,445	485,077,114	.0026	279
2001	1,758,300	210,996,600,903	514,052,670	15,939,713	498,112,957	.0024	283
2002	1,774,300	224,994,598,210	508,474,665	19,988,909	488,485,756	.0022	275

(a) Source: State of Washington Office of Financial Management.

(b) Excludes general obligation bonds payable from hotel/motel tax, special public facilities district taxes, proprietary type funds resources, component unit's resources, and special assessment bonds payable from road improvement district resources.

(c) Excludes Debt Service Funds resources related to bonds excluded at footnote (b) above.

(d) To be consistent with change made in 1995, amounts prior to 1995 have been restated to reflect exclusion of gross bonded debt paid from component unit resources.

(e) Amount restated to exclude from gross bonded debt, general long-term debt which has been restructured to be paid from hotel/motel tax.

**KING COUNTY, WASHINGTON**

COMPUTATION OF LEGAL DEBT MARGIN  
DECEMBER 31, 2002

2002 ASSESSED VALUE	\$ 224,994,598,210
Debt limit of limited tax (LT) general obligations for metropolitan functions	
3/4% of assessed value	\$ 1,687,459,487
Less: Net LT general obligation indebtedness for metropolitan functions	(611,061,317)
LT GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	\$ 1,076,398,170
Debt limit of LT general obligations for general county purposes and metropolitan functions - 1 1/2% of assessed value	\$ 3,374,918,973
Less: Net LT general obligation indebtedness for general county purposes	(901,435,683)
Net LT general obligation indebtedness for metropolitan functions	(611,061,317)
Net total LT general obligation indebtedness for general county purposes and metropolitan functions	(1,512,497,000)
LT GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES AND METROPOLITAN FUNCTIONS	\$ 1,862,421,973
Debt limit of total general obligations for metropolitan functions	
2 1/2% of assessed value	\$ 5,624,864,955
Less: Net total general obligation indebtedness for metropolitan functions	(611,061,317)
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR METROPOLITAN FUNCTIONS	\$ 5,013,803,638
Debt limit of total general obligations for general county purposes	
2 1/2% of assessed value	\$ 5,624,864,955
Less: Net unlimited tax general obligation indebtedness for general county purposes	(249,331,375)
Net LT general obligation indebtedness for general county purposes	(901,435,683)
Net total general obligation indebtedness for general county purposes	(1,150,767,058)
TOTAL GENERAL OBLIGATION DEBT MARGIN FOR GENERAL COUNTY PURPOSES	\$ 4,474,097,897

Debt Limitation: Under Washington state law (Revised Code of Washington (RCW) 39.36.020), a county may incur general obligation debt for general county purposes in an amount not to exceed 2 1/2 percent of the assessed value of all taxable property within the county. State law requires all property to be assessed at 100 percent of its true and fair value. Unlimited tax general obligation debt requires an approving vote of the people, and any election to validate such general obligation debt must have a voter turnout of at least 40 percent of those who voted in the last State general election and, of those voting, 60 percent must be in the affirmative. The County Council may by resolution authorize the issuance of limited tax general obligation debt in an amount up to 1 1/2 percent of assessed value of property within the County for general county purposes and 3/4 percent for metropolitan functions, but the total of limited tax general obligation for general county purposes and metropolitan functions should not exceed 1 1/2 percent of the assessed value. No combination of limited and unlimited tax debt, for general county purposes, and no combination of limited and unlimited tax debt, for metropolitan functions, may exceed 2 1/2 percent of the valuation. The debt service on unlimited tax debt is secured by excess property tax levies, whereas the debt service on limited tax debt is secured by property taxes collected within the \$1.80 per \$1,000 of assessed value operating levy.

# KING COUNTY, WASHINGTON

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT <sup>(a)</sup> DECEMBER 31, 2002

		PERCENTAGES <sup>(b)</sup> APPLICABLE TO THIS GOVERNMENTAL UNIT		KING COUNTY SHARE OF DEBT
NAME OF GOVERNMENTAL UNIT		OUTSTANDING		
King County – net direct debt prorate applicable to:				
King County – unincorporated	\$ 110,564,833	\$		\$
City of Seattle	243,480,842			
City of Auburn	12,744,493			
City of Bellevue	63,734,034			
City of Federal Way	18,220,552			
City of Kent	24,590,330			
City of Kirkland	21,789,258			
City of Mercer Island	18,438,287			
City of Redmond	26,537,516			
City of Renton	18,043,377			
City of SeaTac	9,861,044			
City of Shoreline	14,816,147			
Other cities and towns	142,703,682			
Total King County – net direct debt		725,524,395 <sup>(c)</sup>	100.000%	725,524,395
Port of Seattle		229,030,000	100.000%	229,030,000
School districts:				
Auburn	\$ 79,246,836			
Federal Way	110,913,380			
Fife	46,594,876			
Highline	159,634,926			
Issaquah	205,218,223			
Kent	210,295,093			
Lake Washington	223,501,420			
Northshore	262,628,460			
Renton	150,799,677			
Shoreline	104,275,409			
South Central	51,307,317			
Other school districts	395,546,828			
Total school districts		1,999,962,445	94.296%	1,885,881,244
Cities and towns				
City of Seattle	\$ 940,272,045			
City of Bellevue	59,455,439			
City of Federal Way	14,287,329			
City of Issaquah	31,419,730			
City of Kent	91,795,751			
City of Kirkland	19,916,918			
City of Mercer Island	6,825,567			
City of Redmond	9,423,551			
City of Renton	29,931,497			
Other cities and towns	90,553,148			
Total cities and towns		1,293,880,975	99.484%	1,287,205,162
Water and sewer districts		98,548	100.000%	98,548
Fire districts		36,427,292	100.000%	36,427,292
Hospital districts		143,314,659	100.000%	143,314,659
Parks and recreation service area district		5,470,095	72.468%	3,964,088
Rural library district		46,433,311	98.783%	45,868,380
Total King County net overlapping debt		3,754,617,325		3,631,789,373
TOTAL DIRECT AND OVERLAPPING DEBT		\$ 4,480,141,720		\$ 4,357,313,768

(a) Within King County, other municipal governments incur general obligation debt. Debts incurred by other governmental units, although overlapping, have no claim on any County revenues.

(b) Determined by ratio of assessed valuation of property in overlapping unit subject to taxation in reporting unit to total valuation of property subject to taxation in overlapping unit.

(c) \$1,046,650,884 General long-term debt – General Obligation Bonds, capital leases and compensated absences  
85,000,000 General short-term debt – General Obligation Bond Anticipation Notes  
(267,780,000) Public Facilities District special taxes and revenue financed - Limited G.O. Bonds.  
(118,357,580) Hotel/motel tax financed – Stadium Unlimited G.O. Bonds \$16,350,000, and Stadium Limited  
G.O. Bonds \$102,007,580.

(19,988,909) Funds available in G.O. Debt Service Funds excluding balance of hotel/motel and Special taxes \$20,558,143.  
\$ 725,524,395 NET DIRECT DEBT

KING COUNTY, WASHINGTON  
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
GENERAL BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES  
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL <sup>(a)</sup> DEBT SERVICE</u>	<u>TOTAL GENERAL <sup>(c)</sup> GOVERNMENTAL EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO EXPENDITURES</u>
1993	\$ 29,646,633	\$ 35,901,849	\$ 65,548,482	\$ 648,528,265	10.11%
1994	38,367,202	30,655,713	69,022,915	701,038,369	9.85%
1995	35,175,608	32,407,320	67,582,928	744,341,810	9.08%
1996	39,905,742	30,504,302	70,410,044 <sup>(b)</sup>	865,476,556	8.14%
1997	40,133,041	32,495,229	72,628,270	887,111,099	8.19%
1998	38,957,605	30,693,673	69,651,278	953,067,413	7.31%
1999	46,544,216	30,322,072	76,866,288	1,001,765,673	7.67%
2000	45,313,296	25,611,106	70,924,402	1,030,973,004	6.88%
2001	48,274,889	24,919,305	73,194,194	1,111,414,356	6.59%
2002	43,918,005	24,369,581	68,287,586	1,110,250,057	6.15%

(a) Excludes debt service expenditures for general obligation bonds paid from hotel/motel tax, special public facilities district taxes, and component unit resources.

(b) Excludes \$65,453,220 of expenditures for refinancing a bond anticipation note.

(c) "General Governmental Expenditures" includes expenditures of the General, Special Revenue, and Debt Service Funds only. Transfers out have been excluded.

KING COUNTY, WASHINGTON  
REVENUE BOND COVERAGE - WATER QUALITY ENTERPRISE BONDS <sup>(a)</sup>  
LAST TEN FISCAL YEARS

FISCAL YEAR	OPERATING REVENUES	INTEREST EARNED ON INVESTMENTS <sup>(b)</sup>	SUBTOTAL	OPERATING AND MAINTENANCE EXPENSE	NET AVAILABLE FOR DEBT SERVICE	DEBT SERVICE	
						REQUIREMENT	COVERAGE
1993	\$ 115,550,000	\$ 9,101,000	\$ 124,651,000	\$ 49,889,000	\$ 74,762,000	\$ 56,670,000	132%
1994	133,791,000	10,300,000	144,091,000	53,134,000	90,957,000	69,750,606	130%
1995	154,050,000	11,866,000	165,916,000	55,986,000	109,930,000	75,890,000	145%
1996	167,796,905	12,191,348	179,988,253	66,917,137	113,071,116	76,742,000	147%
1997	172,613,423	9,509,135	182,122,558	66,848,601	115,273,957	78,559,416	147%
1998	171,746,219	6,381,239	178,127,458	66,709,723	111,417,735	74,244,927	150%
1999	174,509,806	8,804,582	183,314,388	74,818,704	108,495,684	77,880,769	139%
2000	180,263,080	10,417,465	190,680,545	82,778,908	107,901,637	81,536,386	132%
2001	187,073,879	7,091,481	194,165,360	89,073,443	105,091,917	77,544,882	136%
2002	213,223,188	4,875,491	218,098,679	79,639,598	138,459,081	79,211,650	175%

(a) The Water Quality Enterprise is obligated by bond ordinance to collect net revenue equal to at least 1.15 times the defined debt service requirements payable from revenues of the Enterprise.

(b) By interpretation of applicable rate covenant, interest earned on investments for all years excludes the effects of GASB Statement 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. For 2002 the exclusion decreases interest income by \$2,510,372.

WATER QUALITY ENTERPRISE  
ADDITIONAL COVERAGE RATIOS  
DECEMBER 31, 2002

The Water Quality Enterprise is obligated by applicable bond ordinances to set sewage disposal rates at a level adequate to provide net revenue equal to at least 1.15 times the annual debt service requirements for sewer revenue and general obligation bonds payable from revenues of the Enterprise. It is the adopted policy of the County to achieve a debt service coverage ratio of 1.25.

Coverage (1.15 required by covenant, adopted policy 1.25)	<u>1.75</u>
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The Enterprise is required to generate revenues sufficient to pay all costs of operation of the sewage treatment system and debt service on obligations of the Enterprise.

Coverage (1.00 required by covenant)	<u>1.32</u>
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In 2001 the Enterprise issued an additional tier of revenue bonds. The bond covenants of the Junior Lien Variable Rate Demand Sewer Revenue Bonds require that sewage disposal rates are adequate to provide net revenue equal to at least 1.10 times the annual debt service requirements for all Junior Lien obligations after payment of senior lien requirements.

Coverage (1.10 required by covenant)	<u>33.53</u>
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In 2001 the County adopted a new debt service coverage target of 1.15 times the annual debt service for bonds, obligations, notes, and loans of the Enterprise.

Coverage (1.15 target)	<u>1.66</u>
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TEN LARGEST CUSTOMERS OF THE WATER QUALITY ENTERPRISE  
DECEMBER 31, 2002

CUSTOMER	PERCENT OF REVENUE
City of Seattle	45.5%
City of Bellevue	9.8%
City of Kent	5.2%
Northshore Utility District	4.4%
Alderwood Sewer District	4.0%
City of Renton	4.0%
Soos Creek Sewer District	3.9%
City of Redmond	3.6%
City of Auburn	3.5%
City of Kirkland	2.0%
Total Percent of Revenue of Ten Largest Customers	85.9%

KING COUNTY, WASHINGTON  
DEMOGRAPHIC STATISTICS  
DECEMBER 31, 2002

YEAR	POPULATION <sup>(a)</sup>			POPULATION 65 YEARS OLD AND OVER <sup>(a)(b)</sup>	NUMBER OF STUDENTS IN PUBLIC SCHOOLS <sup>(c)</sup>	MEDIAN HOUSEHOLD INCOME ESTIMATES <sup>(a)(d)</sup>
	TOTAL	UNINCORPORATED	INCORPORATED			
1993	1,587,700	511,488	1,076,212	172,602	230,209	\$42,375
1994	1,599,500	507,226	1,092,274	174,854	233,686	43,916
1995	1,613,600	497,403	1,116,197	177,276	237,717	45,528
1996	1,628,800	431,920	1,196,880	179,337	242,907	46,885
1997	1,646,200	432,084	1,214,116	180,073	247,428	48,698
1998	1,665,800	404,905	1,260,895	180,817	249,769	51,397
1999	1,677,000	387,148	1,289,852	181,976	249,591	53,157
2000	1,737,034	349,773	1,387,261	181,772	249,319	56,360
2001	1,758,300	353,579	1,404,721	181,906	250,104	58,164
2002	1,774,300	351,675	1,422,625	182,025	249,690	59,540

NON-AGRICULTURAL EMPLOYMENT DISTRIBUTION IN SEATTLE PMSA <sup>(e) (f)</sup>

	2002	2001	2000	1999	1998
Goods Producing					
Construction	5.7%	5.9%	5.9%	5.7%	5.4%
Manufacturing	12.3	13.3	13.7	15.0	16.4
Services Providing					
Trade, Transportation and Utilities	19.5	19.7	19.8	19.8	19.6
Information	5.4	5.5	5.4	4.7	4.3
Financial Activities	6.6	6.4	6.2	6.3	6.1
Professional and Business Services	13.3	13.7	14.4	13.8	13.3
Education and Health Services	10.0	9.4	9.2	9.2	9.5
Leisure and Hospitality	8.8	8.7	8.6	8.7	8.5
Other Services	3.6	3.4	3.4	3.3	3.4
Government	14.8	14.0	13.4	13.5	13.5
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

EMPLOYMENT STATISTICS – ANNUAL AVERAGES <sup>(e)</sup>

	2002	2001	2000	1999	1998
King County					
Employed	955,900	957,400	992,500	995,900	985,000
Unemployed	66,400	51,600	36,700	32,800	31,000
% Unemployed	6.5%	5.1%	3.6%	3.2%	3.1%
Seattle PMSA <sup>(f)</sup>					
Employed	1,301,100	1,303,100	1,343,600	1,357,200	1,337,800
Unemployed	94,800	71,000	52,000	47,600	42,500
% Unemployed	6.8%	5.2%	3.7%	3.4%	3.1%
State of Washington					
Employed	2,871,000	2,822,200	2,891,500	2,929,200	2,893,300
Unemployed	225,800	192,900	159,000	145,300	144,500
% Unemployed	7.3%	6.4%	5.2%	4.7%	4.8%

(a) Source: State of Washington Office of Financial Management publication "Population Trends," September 2002 edition.

(b) Estimates developed on the basis of Federal Medicare enrollment.

(c) Source: Puget Sound Educational Service District.

(d) Source: State of Washington Office of Financial Management, 2001 data preliminary, 2002 data forecasted.

(e) Source: State of Washington Employment Security Department.

(f) Primary metropolitan statistical area.

KING COUNTY, WASHINGTON  
PROPERTY VALUE, CONSTRUCTION, BANK DEPOSITS, AND TAXABLE RETAIL SALES  
LAST TEN FISCAL YEARS

YEAR	ASSESSED VALUATION		CONSTRUCTION <sup>(a)</sup>				BANK DEPOSITS <sup>(b)</sup> (000's)	TAXABLE RETAIL SALES <sup>(c)</sup> (000's)
	REAL	PERSONAL	HOUSEKEEPING RESIDENTIAL BUILDINGS		ALL OTHER NEW BUILDINGS AND STRUCTURES			
			NUMBER OF PERMITS	VALUE OF CONSTRUCTION	NUMBER OF PERMITS	VALUE OF CONSTRUCTION		
1993	\$ 108,133,319,640	\$ 10,089,405,958	5,262	\$ 433,876,652	1,158	\$ 158,771,950	\$ 18,854,709	\$ 22,616,269
1994	111,336,372,117	10,413,643,497	5,062	441,491,492	1,090	112,196,334	18,763,680	23,786,571
1995	112,495,784,709	10,387,292,347	3,888	342,016,386	996	163,365,564	21,602,083	25,196,531
1996	115,863,411,324	11,069,906,343	3,745	403,485,023	756	107,143,353	25,390,527	26,557,687
1997	124,077,055,737	11,313,136,495	3,771	455,826,857	458	111,960,605	27,581,709	29,336,538
1998	138,503,210,847	11,919,240,416	1,963	309,039,587	224	50,880,138	27,035,907	31,749,547
1999	153,567,931,344	12,753,276,194	4,040	364,339,000	256	204,406,000	27,381,328	34,810,738
2000	174,746,122,629	13,673,981,168	2,924	453,987,000	399	249,353,000	30,345,530	37,771,529
2001	195,963,645,652	15,032,955,251	2,806	424,624,000	433	68,108,000	32,574,000	36,113,326
2002	209,975,414,561	15,019,183,649	3,196	540,535,000	383	144,404,000	N/A	35,156,210

(a) Exclusive of cities and towns.

(b) Federal Deposit Insurance Corporation

(c) Washington State Department of Revenue

N/A: Not available

PRINCIPAL TAXPAYERS  
DECEMBER 31, 2002

TAXPAYER	ASSESSED VALUATION	PERCENT
The Boeing Company	\$3,090,198,355	1.46 %
Puget Sound Energy	1,282,436,934	0.61
Qwest (US West Communications)	1,181,881,350	0.56
Microsoft Corporation	1,106,386,209	0.52
EOP Northwest Properties	614,696,200	0.29
Bank of America	524,147,164	0.25
McElroy George & Associates, Inc.	489,133,400	0.23
Spieker Properties	428,208,836	0.20
Union Square Limited	414,019,519	0.20
National Tax Search LLC	430,834,000	0.20
TOTAL ASSESSED VALUATION OF TEN PRINCIPAL TAXPAYERS	9,561,941,967	4.52
TOTAL ASSESSED VALUATION OF OTHER TAXPAYERS	201,434,658,936	95.48
TOTAL 2001 ASSESSED VALUATION FOR TAXES DUE IN 2002	\$ 210,996,600,903	100.00 %

Source: King County Department of Assessments

